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EXAMINER	
GREGG, MARY M	

ART UNIT	PAPER NUMBER
3694	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/706,470	SRINIVASAN ET AL.	
	Examiner	Art Unit	
	MARY GREGG	3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *27 May 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-31* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-31* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *27 May 2008* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

MMG

DETAILED ACTION

1. The following is a Non-Final Office action in response to communications received May 27, 2008. Claims 1-2, 9-10, 17-18, 25-26 and 28-30 have been amended. Therefore, claims 1-31 are pending and addressed below.

Response to Amendment

2. Applicant's amendments with respect to drawings as failing to comply with 37 CFR 1.84(p)(4) are sufficient to overcome the objection set forth by the examiner. Applicant's amendments with respect to examiners 35 USC 101 rejections with respect to claims 17-24 and 30-31, examiner withdraws the rejections.

Claim Objections

3. Claim 31 is objected to because of the following informalities: Claim 31 cites as being dependent upon itself which appears to be a typo. The examiner is interpreting Claim 31 as being dependent upon claim 30. Appropriate correction is required.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 17-24 and 30-31 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In reference to Claims 17-24:

Claim 17 presumes to invoke 112, 6th paragraph, however, there is no corresponding structure disclosed for "creating" a recovery account, nor any

corresponding structure for "setting" a balance on the account. Therefore, claim 17 is rejected under 35 USC 112, 2nd paragraph for failing to particularly point out and distinctly claim the structural subject matter.

Claims 18-24 depend upon claim 17 and do not cure the deficiencies set forth and are therefore also rejected under 35 USC 112, 2nd paragraph

In reference to Claims 30-31:

Claim 30 presumes to invoke 112, 6th paragraph, however, there is no corresponding structure disclosed for "creating" a recovery account, nor any corresponding structure for "setting an open to buy" amount on an account. Therefore, claim 30 is rejected under 35 USC 112, 2nd paragraph for failing to particularly point out and distinctly claim the structural subject matter.

Claim 31 depend upon claim 31 and do not cure the deficiencies set forth and are therefore also rejected under 35 USC 112, 2nd paragraph.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 1-8 and 29 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In reference to Claims 1-8:

Claims 1-8 are directed toward the statutory category of a method (process), however according to Supreme Court precedent and recent Federal Circuit decisions, in order to be statutory under 35 USC 101 the process must (1) be tied to another

statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (Diamond v. Diehr, 450 US 175, 184 (1981); Parker V. Flook, 437 US 584, 588 n.9 (1978); gottschalk v. Benson, 409 US 63, 70 (1972); Cochrane v Deener, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

In reference to Claim 29:

Claim 29 recites a computer comprising of "logic" which is directed toward functional descriptive material. The logic (descriptive material) per se is not functionally and structurally interrelated to a medium. According to MPEP 2106.01, nonfunctional descriptive material is nonstatutory and should be rejected under 35 U.S.C. 101.

Claim Rejections - 35 USC § 102

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

9. Claims 1-4, 6, 9-12, 14, 17-20, 22, 25 and 28-29 are rejected under 35 U.S.C. 102(b) as being anticipated by US Pub No. 2002/0123962 by Bryman et al. (Bryman).

In reference to Claim 1:

(currently amended) A method of recovering debt from a customer with a charged-off credit account balance, comprising: creating a single recovery credit account (new account) (FIG. 3, FIG. 4; para 0045, para 0046 lines 1-5) for the customer with the charged- off credit account balance ((para) 0018 lines 19-20, 24-28); and setting an opening credit balance (sum of pre-existing charge off debt (herein referred to as record 1) and credit line account (herein referred to as record 2)) of the recovery credit account to a value equal to at least a portion of the charged-off credit account balance amount and wherein the opening credit balance represents the entire debt obligation (record 1 plus record 2) of the customer related to the charged-off credit balance ((para) 0031 lines 6-10, (para) 0038 lines 7-10, (para) 0039 lines 12-15).

In reference to Claim 2:

(currently amended) The method of claim 1 (see rejection of claim 1 above), further comprising setting a credit limit for the recovery credit account that is less than the opening credit (FIG. 3 ref # 200, para 0046 lines 1-5) balance of the recovery credit

account and wherein the recovery credit account is not open-to-buy until the recovery credit account balance is less than the credit limit ((para) 0011 lines 7-9, 0046 lines 5-12, 17-20; FIG. 3, ref# 250, FIG. 4).

In reference to Claim 3:

(original) The method of claim 2 (see rejection of claim 2 above), further comprising issuing a credit token (reaffirmation credit card) corresponding to the recovery credit account (new account) only after the recovery credit account balance is less than the credit limit, the credit token enabling access to an available balance of the recovery credit account ((para) 0011 lines 4-6, (para) 0046 lines 1-4, 17-20)

Note: Applicant in written description on page 14 paragraph 0035 disclosed "a debt recovery credit card (or other credit access token)", which supports the correlation between a credit card and a "credit token"

In reference to Claim 4:

(original) The method of claim 2 (see rejection of claim 2 above), further comprising issuing a bill to the customer for the recovery credit account (new account) wherein the bill includes a payment amount that reduces the recovery account balance to less than the credit limit ((para) 0047 lines 7-25)

In reference to Claim 6:

(original) The method of claim 1 (see rejection of claim 1 above), further comprising issuing a bill to the customer for the recovery credit account wherein the bill includes a suggested payment ((para) 0047 lines 15-20).

In reference to Claim 9:

(currently amended) A computer comprising a memory for storing program instructions and a processor, responsive to the programming instructions, configured to: create a single (FIG. 3 ref # 200; para 0041, para 0045, para 0046 lines 1-5)recovery credit account (new account) for a customer with a charged-off credit account balance ((para) 0035, lines 3-5, 10-15); and set an opening credit (para 0046 lines 1-5)balance of the recovery credit account to a value equal to at least a portion of the charged-off credit account balance (FIG. 4) and wherein the opening credit (para 0046 lines 1-5) balance represents the entire debt obligation of the customer (record 1 + record 2) related to the charged-off credit balance ((para) 0037, lines 1-3, (para) 0039, lines 7-15).

In reference to Claim 10:

(currently amended) The computer of claim 9 (see rejection of claim 9 above), further configured to set a credit limit (via credit line account record) for the recovery credit account that is less than the opening credit balance ((para) 0011 lines 7-10, (para) 0046 lines 1-5, 11-12) of the recovery credit account and wherein the recovery credit account is not open-to-buy until the recovery credit account balance is less than the credit limit (FIG. 3, FIG 2; (para) 0034 lines 5-11, (para) 0037 lines 10- 14, (para) 0038 lines 7-10).

In reference to Claim 11:

(original) The computer of claim 10 (see rejection of claim 10 above), further configured to issue a credit token (via reaffirmation credit card) corresponding to the recovery credit account only after the recovery credit account balance is less than the

credit limit ((para) 0011 lines 7-10, (para) 0046 lines 11-12), the credit token enabling access to an available balance of the recovery credit account ((para) 0011 lines 4-6, (para) 0038 lines 7-10, (para) 0039 lines 5-20)

In reference to Claim 12:

(original) The computer of claim 10 (see rejection of claim 10 above), further configured to issue a bill to the customer for the recovery credit account wherein the bill includes a payment amount that reduces the recovery account balance to less than the credit limit ((para) 0033 lines 3-8, (para) 0039 lines 15-22).

In reference to Claim 14:

(original) The computer of claim 9 (see rejection of claim 9 above), further configured to issue a bill to the customer for the recovery credit account wherein the bill includes a suggested payment ((para) 0039 lines 7-10, (para) 0048 lines 11-20).

In reference to Claim 17:

(currently amended) A system comprising: means for creating a single (FIG. 3 ref # 200) recovery credit account (new account) for a customer with a charged-off credit account balance (FIG. 4 ref # 304) ((para) 0031 lines 3-4, (para) 0033 lines 3-7, (para) 0039 lines 11-14); and means for setting an opening credit (para 0046 lines 1-5) balance of the recovery credit account to a value equal to at least a portion of the charged-off credit account balance and wherein the opening credit (para 0046 lines 1-5) balance represents the entire debt obligation of the customer related to the charged-off credit balance (FIG. 2, FIG 3; (para) 0036 lines 3-5, 8-10, (para) 0038 lines 7-10, (para) 0039 lines 2-4, 12-15, (para) 0044 lines 14-16).

In reference to Claim 18:

(currently amended) The system of claim 17 (see rejection of claim 17 above), further comprising means for setting a credit limit (FIG. 3) for the recovery credit account that is less than the opening balance of the recovery credit account and wherein the recovery credit account is not open-to-buy until the recovery credit account balance is less than the credit limit ((para) 0011 lines 7-10, (para) 0042 lines 2-9, (para) 0046 lines 1-12, 17-20).

In reference to Claim 19:

(original) The system of claim 18 (see rejection of claim 18 above), further comprising means for issuing a credit token (reaffirmation credit card) corresponding to the recovery credit account only after the recovery credit account balance is less than the credit limit, the credit token enabling access to an available balance of the recovery credit account ((para) 0011 lines 7-10, (para) 0046 lines 1-5).

In reference to Claim 20:

(original) The system of claim 18 (see rejection of claim 18 above), further comprising means for issuing a bill to the customer for the recovery credit account (new account) wherein the bill includes a payment amount that reduces the recovery account balance to less than the credit limit ((para) 0047 lines 5-9, 13-20, 22-26).

In reference to Claim 22:

(original) The system of claim 17 (see rejection of claim 17 above), further comprising means for issuing a bill to the customer for the recovery credit account

wherein the bill includes a suggested payment ((para) 0039 lines 7-10, (para) 0048 lines 11-20)

In reference to Claim 25:

(currently amended) A method of collecting credit card debt, the method comprising: creating a recovery credit account (new account) for a customer based on a charged-off credit account balance (record 1 + record 2) ((para) 0046 lines 2-5); the recovery credit account having an opening credit balance that has a value equal to at least a portion of the charged-off credit account balance ((para) 0022); and prohibiting credit activity on the recovery credit account until the customer pays an open-to-buy amount ((para) 0011 lines 7- 10, (para) 0046 lines 10-20

In reference to Claim 28:

(currently amended) A recovery credit account (new account) for a customer embodied in a computer system, the recovery credit account for the customer comprising: a single credit account based on a (FIG. 3, ref# 200) charged-off credit account balance (FIG. 4) for a customer ((para) 0039 lines 1-9, (para) 0041 lines 4-11); and an open-to-buy amount that specifies a threshold amount of the charged-off credit account balance to be paid by the customer before credit activity will be enabled on the recovery credit ((para) 0046 lines 5-10).

In reference to Claim 29:

(currently amended) A computer for managing debt, the computer comprising: logic configured to create a recovery credit account (new account) for a customer based on a charged-off credit account balance ((para) 0042 lines 7-11); the recovery credit

account having an opening credit balance having a value equal to at least a portion of the charged-off credit account balance((para) 0022); and logic configured to prohibit credit activity (FIG. 3) on the recovery credit account until the customer pays an open-to-buy amount ((para) 0046 lines 10-20; FIG. 2)

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

11. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

12. Claims 5, 13 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub. No 2002/0123962 A1 by Bryman et al. (Bryman) as applied to claims 1 and 2 with respect to claim 5, as applied to claims 9 and 10 with respect to claim 13, as applied to claim 17 and 18 with respect to claims 21, and further in view of Official Notice

In reference to Claim 5:

Bryman teaches:

(original) The method of claim 2 (see rejection of claim 2 above),

Bryman does not teach:

...further comprising charging an over limit fee when the recovery account balance (new account) is over the credit limit only after the recovery credit account balance has been less than the credit limit.

Official Notice is taken that it is a common practice in the industry for financial institution to issue credit cards and to charge over limit fee when a client charges over the approved credit limit on a card. When credit card bills are exceed limits the risk factors on defaults increase. The incentive that is given to discourage such a risk increase is to attach fees to over credit limit charges as well as to defray some of the loss if the client does default on a over limit credit card. It would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized this widely available and common knowledge to have duplicated this particular application of charging over credit limit fees

In reference to Claim 13:

Bryman teaches:

(original) The computer of claim 10 (see rejection of claim 10 above),...

Bryman does not teach:

...further configured to charge an over limit fee when the recovery account balance (new account) is over the credit limit (available credit) only after the recovery credit account balance has been less than the credit limit

Official Notice is taken that it is a common practice in the industry for financial institution to issue credit cards and to charge over limit fee when a client charges over the approved credit limit on a card. When credit card bills are exceed limits the risk factors on defaults increase. The incentive that is given to discourage such a risk increase is to attach fees to over credit limit charges as well as to defray some of the loss if the client does default on a over limit credit card. Bryman does teach of ascertaining maximum credit limits ((para) 0052 lines 2-4, 7-10) and teaches interest and fees ((para) 0011 lines 4-7, (para) 0053 lines 3-4). Although the teachings of Bryman do not explicitly teach what fees are attached to an account, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized this widely available and common knowledge fees charged for the charging over the maximum allowed credit limit fees.

In reference to Claim 21:

Bryman teaches:

(original) The system of claim 18 (see rejection of claim 18 above),...

Bryman does not teach:

...further comprising means for charging an over limit fee when the recovery account balance (new account) is over the credit limit only after the recovery credit account balance has been less than the credit limit

Official Notice is taken that it is a common practice in the industry for financial institution to issue credit cards and to charge over limit fee when a client charges over the approved credit limit on a card. When credit card bills are exceed limits the risk factors on defaults increase. The incentive that is given to discourage such a risk increase is to attach fees to over credit limit charges as well as to defray some of the loss if the client does default on a over limit credit card.

Bryman does teach of ascertaining maximum credit limits ((para) 0052 lines 2-4, 7-10) and teaches interest and fees ((para) 0011 lines 4-7, (para) 0053 lines 3-4). Although the teachings of Bryman do not explicitly teach what fees are attached to an account, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized this widely available and common knowledge fees charged for the charging over the maximum allowed credit limit fees.

13. Claims 7, 15 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub. No 2002/0123962 A1 by Bryman et al. (Bryman) as applied to claim 1 above with respect to claim 7, as applied to claim 9 with respect to claim 15, as applied to claim 17 with respect to claim 23, and in view of US Patent No. 5,966,698 by Pollin (Pollin).

In reference to Claim 7:

Bryman teaches:

(original) The method of claim 1 (see rejection of claim 1 above),

Bryman does not teach:

...further comprising establishing an automatic payment service for payments to the recovery credit account from the customer

Pollin teaches:

...further comprising establishing an automatic payment service for payments to the recovery credit account from the customer (Col 8 lines 56-62, Col 9, lines 4-7).

Both Pollin and Bryman teach the collection of payments for debt ((Byman) (para) 0011 lines 1-3, (para) 0022 lines 8-10, (Pollin) Col 2, lines 11-15, Col 3, lines 37-40). Pollin explicitly teaches well known issues for receiving payments which are exacerbated with debt delinquent clients and that a solution for these issues would be to impliment an automatic payment system for payment collections ((Pollin) Col 2, lines 17-28). It would have been obvious to one of ordinary skill in the art at the time of the invention for Bryman to include an automatic payment option as taught by Pollin (Col 8 lines 56-62, Col 9, lines 4-7) in its payment options to negate many of the well known problems with other sources of payments as taught by Pollin ((Pollin) Col 2, lines 17-28).

In reference to Claim 15:

Bryman teaches:

(original) The computer of claim 9 (see rejection of claim 9 above),

Bryman does not teach:

...further configured to establish an automatic payment service for payments to the recovery credit account from the customer

Pollin teaches:

...further configured to establish an automatic payment service for payments to the recovery credit account from the customer (Fig 2, Col 7 lines 22-35)

Both Pollin and Bryman are teach the collection of payments for debt ((Byman) (para) 0011 lines 1-3, (para) 0022 lines 8-10, (Pollin) Col 2, lines 11-15, Col 3, lines 37-40) Pollin explicitly teaches well known issues for receiving payments which are exacerbated with debt delinquent clients and that a solution for these issues would be to impliment an automatic payment system for payment collections ((Pollin) Col 2, lines 17-28). It would have been obvious to one of ordinary skill in the art at the time of the invention for Bryman to include an automatic payment system as taught by Pollin (Col 7 lines 22-35) in its payment options to negate many of the well known problems with other sources of payments as taught by Pollin ((Pollin) Col 2, lines 17-28).

In reference to Claim 23:

Bryman teaches:

(original) The system of claim 17 (see rejection of claim 17 above),

Bryman does not teach:

...further comprising means for establishing an automatic payment service for payments to the recovery credit account from the customer.

Pollin teaches:

...further comprising means for establishing an automatic payment service for payments to the recovery credit account from the customer (Fig 2, Col 7 lines 22-35, Col 8 lines 52-61).

Both Pollin and Bryman are teach the collection of payments for debt ((Bryman) (para) 0011 lines 1-3, (para) 0022 lines 8-10, (Pollin) Col 2, lines 11-15, Col 3, lines 37-40). Pollin explicitly teaches well known issues for receiving payments which are exacerbated with debt delinquent clients and that a solution for these issues would be to implement an automatic payment system for payment collections ((Pollin) Col 2, lines 17-28). It would have been obvious to one of ordinary skill in the art at the time of the invention for Bryman to include an automatic payment system as taught by Pollin (Col 7 lines 22-35) in its payment options to negate many of the well known problems with other sources of payments as taught by Pollin ((Pollin) Col 2, lines 17-28).

14. Claims 8, 16 and 24 rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub. No 2002/0123962 A1 by Bryman et al. (Bryman) as applied to claim 1 with respect to claim 8, as applied to claim 9 with respect to claim 16, as applied to claim 24 with respect to claim 24 and in view of CuraDebt at http://web.archive.org/web/ 20020 5302035900/http://www.curadebt.com.

In reference to Claim 8:

Bryman teaches:

(original) The method of claim 1 (see rejection of claim 1 above), the opening balance of the recovery credit account is a ... with the customer Bryman does not teach:

wherein the difference between the charged-off credit account balance and.., settlement value negotiated

CuraDebt teaches:

wherein the difference between the charged-off credit account balance and.., settlement value negotiated ((CuraDebt) (as annotated by examiner, herein referred to as AAE) page 1, sec 2a, page 3, page 5, sec 1)

Both Bryman and CuraDebt are directed toward the collection of delinquent debt and methods for paying that debt ((Bryman) (para) 0004 lines 2-3, (para) 0009 lines 1-3, (CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1).

Although Bryman does not teach negotiating debt settlements, Bryman's intended use is directed toward a system of repayment on delinquent debt accounts held by the debt holder ((Byrman) (para) 0007 lines 1-2, 12-16, (para) 0008 lines 19-21 (para) 20, (para) 0043 lines 5- 10) such as Curadebt.

Curadebt explicitly teaches debt settlement negotiations (CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1) and debt repayment ((CuraDebt) (AAE) page 2, sec 2, page 5, sec 3c). It would have been obvious to one of ordinary skill in the art at the time of the invention for the invention as taught by Bryman would whose intended use is directed toward collection of debt payments by companies ((Bryman)(para) 0043 lines 4-7) as in CuraDebt to include the negotiation of settlement of debt as taught by CuraDebt with the repayment options offered by Bryman.

In reference to Claim 16:

Bryman teaches:

(original) The computer of claim 9 (see rejection of claim 9 above), ...the opening balance of the recovery credit account is a ...with the customer

Bryman does not teach:

...wherein the difference between the charged-off credit account balance and.., settlement value negotiated...

CuraDebt teaches:

...wherein the difference between the charged-off credit account balance and ... settlement value negotiated ((CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1)

Both Bryman and CuraDebt are directed toward the collection of delinquent debt and methods for paying that debt ((Bryman) (para) 0004 lines 2-3, (para) 0009 lines 1-3, (CuraDebt) (AE) page 1, sec 2a, page 3, page 5, sec 1)

Although Bryman does not teach negotiating debt settlements, Bryman's intended use is directed toward a system of repayment on delinquent debt accounts held by the debt holder ((Byrman) (para) 0007 lines 1-2, 12-16, (para) 0008 lines 19-21 (para) 20) such as Curadebt.

Curadebt explicitly teaches debt settlement negotiations (CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1) and debt repayment ((CuraDebt) (AAE) page 2, sec 2, page 5, sec 3c). It would have been obvious to one of ordinary skill in the art at the time of the invention for the invention as taught by Bryman would whose intended use is directed toward collection of debt payments by companies as in CuraDebt to include the negotiation of settlement of debt as taught by CuraDebt with the repayment options taught by Bryman.

In reference to Claim 24:

Bryman teaches:

(original) The system of claim 17 (see rejection of claim 17 above), ...the opening balance of the recovery credit account is a ...with the customer.

Bryman does not teach:

wherein the difference between the charged-off credit account balance and ... settlement value negotiated

CuraDebt teaches:

wherein the difference between the charged-off credit account balance and ... settlement value negotiated ((CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1)

Although Bryman does not teach negotiating debt settlements, Bryman's intended use is directed toward a system of repayment on delinquent debt accounts held by the debt holder ((Byrman) (para) 0007 lines 1-2, 12-16, (para) 0008 lines 19-21 (para) 20) such as Curadebt

CuraDebt explicitly teaches debt settlement negotiations (CuraDebt) (AAE) page 1, sec 2a, page 3, page 5, sec 1) and debt repayment ((CuraDebt) (AAE) page 2, sec 2, page 5, sec 3c). It would have been obvious to one of ordinary skill in the art at the time of the invention for the invention as taught by Bryman would whose intended use is directed toward collection of debt payments by companies as in CuraDebt to include the negotiation of settlement of debt as taught by CuraDebt with the repayment options taught by Bryman

15. Claims 26-27 and 30-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub No. 2002/0123962 A1 by Bryman et al. (Bryman) and further

in view of US Patent No. 5,950,179 by Buchanan et al. (Buch) and further in view of Official Notice.

In reference to Claim 26:

Bryman teaches:

(currently amended) A method of collecting credit card debt, the method comprising: creating a recovery credit account (new account) for a customer based on a charged-off credit account balance (FIG. 3, FIG. 4); ... and whereing the opening credit balance has a value equal to at least a portion of the charged-off credit balance (FIG. 1 Ref # 30) and setting an open-to-buy amount for the recovery credit account (FIG. 3, FIG. 4; (para) 0046 lines 2-10)

Bryman does not teach:

...the recovery credit account having an opening credit balance and no debt balance;...

Buch teaches:

...the recovery credit account having an opening credit balance and no debt balance;...((Buch) Col 1 lines 22-23).

Bryman teaches a credit card account with a credit line equal to a pre-existing debt. Official Notice is taken that it is well known in the industry that debt has value to debt collectors. Debt collectors like Asset Acceptance acquire debt for a much lesser value and then increase that value by collecting the full debt value and earning revenue off the spread. Therefore, it is well known that debt has value. Buch teaches a card which is granted to clientele with poor or no credit rating and using the card to

reestablish credit. Buch teaches a credit limit on a secured card is typically tied to the value of the asset. As stated before debt is an asset. Bryman teaches explicitly of charged off accounts that are attempted to be collected generally using debt collection agencies. Both Buch and Bryman teach affirming credit and reaffirming credit with the use of credit card based upon an asset. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to use simple substitution of one known element for another to obtain a predictable result.

In reference to Claim 27:

(previously presented) The method of claim 26 (see rejection of claim 26 above), further comprising issuing a credit token (reaffirmation credit card) when the open-to-buy amount (FIG. 3) is paid by the customer ((para) 0046 lines 1-4, 17-20)

Note: Applicant in written description on page 14 paragraph 0035 disclosed "a debt recovery credit card (or other credit access token)", which supports the correlation between a credit card and a "credit token".

In reference to Claim 30:

Bryman teaches:

(currently amended) A debt management system comprising: means for creating a recovery credit account (new account) for a customer based on a charged-off credit account balance (FIG. 4) ((para) 0041 lines 3-5);... a single credit account having an opeing credit balance ((FIG. 3 ref # 200; para 0041 kubes 4-6)... and wherein the opening credit balance has a value equal to at least a portion of the charged-off credit

account balance; and means for setting an open-to-buy amount for the recovery credit account ((para) 0046 lines 5-20, (para) 0049 lines 17-25)

Bryman does not teach:

... no debt balance ...

Buch teaches:

.....the recovery credit account comprising a single credit account having an opeing credit balance and no debt balance ...((Buch) Col 1 lines 22-23).

Bryman teaches a credit card account with a credit line equal to a pre-existing debt. Official Notice is taken that it is well known in the industry that debt has value to debt collectors. Debt collectors like Asset Acceptance acquire debt for a much lesser value and then increase that value by collecting the full debt value and earning revenue off the spread. Therefore, it is well known that debt has value. Buch teaches a card which is granted to clientele with poor or no credit rating and using the card to reestablish credit. Buch teaches a credit limit on a secured card is typically tied to the value of the asset. Bryman teaches explicitly of charged off accounts that are attempted to be collected generally using debt collection agencies. Both Buch and Bryman teach affirming credit and reaffirming credit with the use of credit card based upon an asset. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to use simple substitution of one known element for another to obtain a predictable result.

In reference to Claim 31:

(previously presented) The debt management system of claim 31 (see rejection of claim 31 above), further comprising means for prohibiting credit activity ((para) 0011 lines 7-10) on the recovery credit account until the customer pays the open- to-buy (available credit) amount ((para) 0046 lines 11-20).

Response to Arguments

16. Applicant's arguments filed May 26, 2008 have been fully considered but they are not persuasive. In the remarks, Applicant argues (1) that the feature of a recovery credit account having a single account that comprises a credit balance based on a charge-off credit account balance. (2) The applicant defines the single credit account is not a debt account and does not have a debt balance. The applicant further states that the value of the opening credit balance is based off the charged-off credit balance and that none of the charged off credit account balance is applied to a debt balance.

In response to Applicant's argument (1), have been fully considered but they are not persuasive Bryman teaches explicitly of a single account comprising of a credit balance based upon a charged off credit account. The reaffirmation credit card of Byman is a single account card and the available credit is explicitly based upon pre-existing debt ((Bryman) para 0046). Therefore, Bryman does teach all of the features expressed in applicant's argument (1).

In response, Applicant's arguments (2) are moot with respect to claims 1, 9, 17, 25 and 28-29 as the stated feature is not contained in the claims. With respect to claims 25-26 and 30, the Applicant's argument is moot as the stated feature were not contained in the previous office action.

Conclusion

17. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARY GREGG whose telephone number is (571)270-5050. The examiner can normally be reached on 4/10.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 5712726712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

18. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MMG

/Mary Cheung/
Primary Examiner, Art Unit 3694